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FOR ADDITIONAL INFORMATION
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House Conservatives Respond to Senate Democrats' Demand for More Spending in Return for a Debt Limit Increase *--Release Report on Impact of Additional Spending--*

WASHINGTON, D.C. – Members of the House Republican Study Committee, an organization of over 70 House conservatives, released a report today detailing the impact on the national debt of the increase in spending requested by Senate Democrats in exchange for increasing the debt limit.

In announcing the report, RSC Chairman Rep. John Shadegg (R-AZ) stated, "It is truly astonishing that Senate Democrats would hold a debt limit increase hostage for, of all things, more spending. This is the height of irresponsibility. Excess Washington spending is one of the reasons we are being forced to increase the debt limit in the first place. If Tom Daschle gets his way, we will have to add another \$50 billion to the debt limit, because that is how much Democrats' extra spending will add to the public debt over the next five years."

"On behalf of the over 70 Members of the Republican Study Committee, I urge the House Leadership to reject Senate Democrats' demand for more spending. If the choice is between passing a stand-alone bill to increase the debt limit or agreeing to the Senate demands for more spending, the House should pass a stand-alone bill," added Shadegg.

A copy of the report released by the Republican Study Committee follows this release.

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Policy Brief.....June 18, 2002

Impact of Additional Spending Requested by Senate Democrats on the Public Debt

On June 17, the Bureau of National Affairs reported that “[Senate Budget Committee Chairman Kent Conrad (D-ND)] said it was ‘a real possibility’ that the Senate Democratic leadership would agree to add the Senate-passed \$450 billion debt ceiling increase to the supplemental spending bill conference report if House GOP leaders accepted the Senate’s higher \$768 billion discretionary spending limit for FY 2003.”

The Senate’s proposed spending limit is \$9 billion higher than the level proposed by the House and endorsed by President Bush. Since increasing spending this year would inflate the spending baseline for all future years, a \$9 billion increase in spending will cost approximately \$50 billion over the next five years once inflation and debt service costs are factored in.

Discretionary Budget Authority in Billions of Dollars

	2003	2004	2005	2006	2007
House Passed Budget	759	781	809	838	870
Inflated to Accommodate Senate Spending	768	790	818	847	879

Since this additional spending is not offset with reductions in other areas of government, the net result will be an additional increase in the national debt. This additional increase in the national debt will require a further increase in the debt limit.

